

MEMORANDUM FOR: Deputy Director (Plans)
Special Support Assistant to the DD/S

SUBJECT : Revised Administrative Plan for SR Division
FI Project AEMARSH

I. Background

1. The Administrative Plan for the subject project was authorized by the DD/S on 1 December 1953 and approved by the DD/P on 3 December 1953. This Plan provided for the formation of AEMETHOD (a nonprofit membership corporation) whose primary function was to furnish financial support and to serve as a backstop for the cover activities engaged in by AEMINK.
2. This project was classified as a proprietary activity and the reason it was so classified was due to the fact that the funding mechanism, AEMETHOD, was to be a nonprofit membership corporation. The instrumentality to carry out the operational activities was, and still is, AEMINK, a nonprofit cultural organization.
3. It subsequently developed that a cleared individual was used to pass funds to AEMINK and therefore AEMETHOD was never utilized, in fact AEMETHOD was never established.
4. The SR Division and the Audit Staff have requested that a revised plan be written which will eliminate the provision relating to the formation and control of the funding mechanism.

II. Purpose of this Provision

5. This revised plan (a) eliminates the provisions relating to the formation and control of AEMETHOD and covers the subsidy phase of project AEMARSH, and (b) provides for the writeoff to cost of certain office equipment including a used duplicating machine which was purchased in 1954 for the use of AEMINK, the subsidized organization. This equipment is now carried as an investment of EMARK in the amount of \$. The SR Division states that, due to the operational situation, it is inconceivable that this equipment can ever be securely recovered.

III. Approval

6. Project AEMARSH was originally approved retroactively to 1 December 1953 on 5 March 1954 by DD/P in the amount of \$ and has been in continuous operation since that time.

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IV. Recommendation

7. The attached Revised Administrative Plan has been concurred in by all interested staffs and divisions and is recommended for your approval.

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[Signature], Chief
Project Administrative Planning Staff, DD/S

[Signature]
Project Officer

PAPS/DDS/LMB:pal
(8 October 1958)

S-E-C-R-E-T

AEMARSH
Concurrence Sheet

/s/
/s/
SR Division

4 October 1956
Date

/s/
General Counsel

8 October 1956
Date

/s/
Office of the Comptroller

4 October 1956
Date

/s/
Office of Security

4 October 1956
Date

/s/
FI/OPS/Projects

4 October 1956
Date

/s/
PAPS-DD/S

8 October 1956
Date

/s/
Central Cover Branch

8 October 1956
Date

/s/
CI Staff

8 October 1956
Date

S-E-C-R-E-T